

Marketing Advisory Committee

“Gather Best Practices” Initiative

In April of 2006, the Marketing Advisory Committee (MAC) of the NAA decided that addressing how newspapers can become easier to do business with is one of its top priorities. Soon after, an Initiative Team formed to investigate what makes newspapers easier to do business with, focusing on advertisers. The following case studies are intended to capture how specific newspapers have implemented changes to become easier to do business with and highlight major themes or best practices that other newspapers can apply in order to become more client-focused and easier to do business with.

Acknowledgements

No project of this scope and duration can be successful without the efforts of many people, and this document is no exception. NAA would like to acknowledge and thank the individuals and organizations that contributed to this success.

Barbara Cohen, president of Kannon Consulting, facilitates the Marketing Advisory Committee meetings that initiated the ideas contained within this document. The document was prepared by Nicole Silverman and Craig Kaczorowski, consultants at Kannon.

Thank you to Richard Reeves (Vice President of Advertising and Marketing), Moya Neville (Advertising Director), and Eric Myers (National and Major Retail Advertising Manager) at the *St. Petersburg Times* and Mike Lambert (Advertising Research Manager) and Kelly Warren (Advertising Director) at *The Virginian-Pilot* for sharing their experiences.

A special acknowledgement to the dynamic leaders of the newspaper industry who participate as active Marketing Advisory Committee members and contributed to the ideas and best practices presented in this document.

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Introduction

Marketing Advisory Committee (MAC):

The MAC evolved from the Marketing Committee of the NAA. The objectives of the MAC are four-fold:

1. To encourage exploration, experimentation, and implementation of actionable business-building ideas and strategies to meet customer needs.
2. To develop frameworks, plans, programs and research to help newspapers grow audience and revenue across multiple platforms.
3. To execute specific initiatives that can impact the newspapers' brand businesses.
4. To foster communication between the Federations and other industry groups in order to maximize return on investment and avoid duplication of effort and resources.

MAC members currently represent over 25 different newspapers or newspaper companies. Membership on the MAC assumes being in a position within their own organization to lead

internal change and commit resources as well as a willingness to actively participate in the work that springs from various MAC initiatives.

Under John Kimball's leadership, senior staff at NAA support this effort, Mort Goldstrom and Randy Bennett in particular. Barbara Cohen and Nicole Silverman from Kannon Consulting facilitate and serve as project managers. Kannon is a strategy and marketing consulting firm helping clients identify growth opportunities in a changing marketplace.

"Gather Best Practices" Initiative

In April of 2006, the MAC formed an Initiative to focus on newspapers "becoming easier to do business with." The "Gather Best Practices" Sub-Team of this Initiative has focused on building case studies of newspapers that have made significant gains in becoming easier to do business with. The goal to write a series of profiles that identify major themes or best practices that impact newspapers being easier to do business with and can be applied to other newspapers.

Two Newspaper Profiles: Case Studies

1. *St. Petersburg Times*: Client-Centered Sales Processes
2. *The Virginian-Pilot*: Sales Force Effectiveness Initiative

Rationale For Selection

Newspapers were selected to be profiled based upon each organization's ability to demonstrate success or improvement in becoming easier to do business with.

Interview Guide/Methodology

Kannon Consulting interviewed senior executives, directors, and managers at the participating newspapers who have been directly involved in the newspaper's change process to become easier to do business with. Six key areas were explored during the interviews:

1. **Sales Force**, including changes/restructuring of staff, sales techniques, products/services, processes and compensation, and organization/ structure
2. **Products Offered**, including changes/innovations to ads to improve the ability to meet ROI goals, budget needs, offer alternative/multiple offerings, or become more innovative and differentiate the company's product offerings
3. **Pricing/Billing**, including changes to the rate structure, invoices, policies (e.g., credit), problem resolution, or restructuring of the Billing staff
4. **Research Services**, including changes implemented to improve the company's ability to provide market-specific information, enhance knowledge of own/ competitor's offerings, provide consultative services, or restructuring of the Research staff

5. **Ad Support Services**, including changes to improve the ease of contacting ad support, offering different types of ad support, or restructuring of Ad Support staff
6. **Customer Service/Needs**, including changes to improve the availability, responsiveness, and follow-through of customer service representatives or to expedite problem resolution processes, or any restructuring of Customer Service/Needs staff

Selected newspapers did not necessarily implement changes in all six of these areas. Executives were asked to provide more details about the specific changes and change processes they were involved in. Five key questions related to the change process were explored:

1. How did the newspaper prioritize the changes implemented?
2. Of the changes implemented, which were the most straightforward to address? Which were the most challenging?
3. How did the company go about making the changes? Was an internal team used? Were external resources used (such as consultants, industry experts, data/research, or software)?
4. Were there any metrics in place to measure if/when the company made improvement?
5. What advice would you offer to other newspapers that are attempting to undergo a similar process of becoming “easier to do business with?”

Case Study Structure

The case studies are intended to provide examples of how changes implemented to a variety of areas can have a real impact on a newspaper becoming easier to do business with.

Each case study includes five key learnings that capture the newspaper’s best practices and overarching advice to other newspapers considering a similar change process. In addition, each case study includes a final summary page, which provides an overview of changes implemented, the impact of the changes on the organization and the marketplace, and the newspaper’s ability to demonstrate improvement.

St. Petersburg Times

The St. Petersburg Times is a daily newspaper based in St. Petersburg, Florida. It has an average daily circulation of 319,349 and Sunday circulation of 409,013, making it the largest newspaper in Florida and the 23rd largest newspaper in the United States. In addition, the St. Petersburg Times has one of the highest home-county penetrations in the country, at 50 percent daily and 62 percent Sunday. The St. Petersburg Times is published by the Times Publishing Company, which is owned by the Poynter Institute.

Background

In 2004 the *St. Petersburg Times* was one of 33 newspapers to participate in a Newspaper Monitor/Advantage Group study designed to solicit feedback from key agencies and advertisers regarding the newspaper's sales organization and personnel, business relationship(s), products and pricing, support services, and customer service. The study indicated a strong need for improvement, as the *St. Petersburg Times* ranked 30 out of the 33 participating newspapers in terms of its overall performance. Additionally, the *St. Petersburg Times* ranked in the lower third for its business relationship and sales organization and personnel. Its ratings for service and support functions were in the middle third rank.

The results of the study revealed to the *St. Petersburg Times* their need to become easier to do business with. The newspaper's highest priority involved implementing changes to meet client needs better. In order to become more client-focused, executives at the *St. Petersburg Times* created a culture that embraced change and strove for improvement. Changes were implemented successfully in the sales force (which included improvements in training, technique, and processes) and in products offered and support and research services.

Creating A Culture That Encourages Change

Richard Reeves, Vice President of Advertising and Marketing at *St. Petersburg Times*, led the effort by creating a culture that recognized the need for change and shared a sense of urgency.

Reeves scheduled a meeting with national and major account sales executives of *St. Petersburg Times* to discuss the results. His intention was to send a message that change was needed and that improvement was expected. Reeves asked each executive to place a bet of one-dollar on the overall performance of the *St. Petersburg Times* relative to the other 32 participating newspapers. Any executive who came within two rankings of the *St. Petersburg Times*' actual performance would receive all of the money. After Reeves shared the results and the satisfaction survey with all members of the *St. Petersburg Times* staff, he recounted that, "not a single person anticipated that the *St. Petersburg Times* received such a low ranking. I kept all of the money."

The meeting demonstrated one way in which the need for a “culture of change” was realized at *St. Petersburg Times*. The meeting revealed the value of creating a culture that motivated employees to recognize areas for improvement and actualize such changes by having employees be personally invested in the company’s progress.

St. Petersburg Times executives were mindful of the importance of creating a culture that prioritizes and supports change without creating a culture of insecurity and fear. Moya Neville, Advertising Director at *St. Petersburg Times*, recalls that creating such a culture – one that encouraged change without instilling fear -- was one of the most difficult aspects of the change process. “As soon as you start implementing change, employees are immediately concerned about what it means for *them*. They wonder: Am I being demoted? Employees need to be reminded that when changes are implemented, one of the top priorities always has to be getting the right people in the right jobs. Once this happens, everyone is going to be happier.”

The *St. Petersburg Times*’ commitment to “getting the right people in the right jobs” enabled the newspaper to implement changes without significantly increasing the number of employees. In fact, the *St. Petersburg Times* head count increased only by one employee, reinforcing the importance of “getting the right people in the right jobs” as part of the change process. For the *St. Petersburg Times*, this involved reallocating resources, restructuring departments, recruiting some new talent, and losing some existing employees. “Not everyone made it through the transition,” noted Neville, “but those who did are much happier in positions that are a better fit for their skills and talents.”

To ease the change process, the *St. Petersburg Times* crafted a clear message about the purpose of the newspaper changes: to become more client-focused and “do the right thing” by the client. The *St. Petersburg Times* conducted interviews with clients and agencies to understand the strengths and weaknesses of working with the *St. Petersburg Times*. The feedback from clients and agencies was a valuable resource for the newspaper when deciding how to best approach changes that would help the *St. Petersburg Times* become easier to do business with. Subsequent ideas and changes were evaluated based on the potential immediate and long-term benefits to clients.

Sales Force Changes

Based on feedback from clients and agencies, the *St. Petersburg Times* made changes to its sales force by improving training, technique, and processes. The goal was to become more client-focused in all aspects of the sales force.

Sales Training:

The *St. Petersburg Times* restructured its sales training to provide regular coaching sessions that moved beyond typical rate discussions. Sales reps now participate in coaching/planning sessions each month with the National and Major Retail Advertising Manager. The sessions involve question-oriented training about the newspaper industry as a whole and account executives move beyond rate to learn about the purpose of making

sales calls and the audience buying online ads. According to Eric Myers, National and Major Retail Advertising Manager, “the training also involves a large role-playing component, which has resulted in sales reps becoming more confident and practicing a higher level of critical thinking skills. In general, the new sales training program has brought more structure to sales training and resulted in more ‘consultative’ selling.”

Sales Technique:

Also in an effort to become more client-focused, the *St. Petersburg Times* now customizes its sales presentations to more directly address client needs. Their former sales technique utilized long, generic presentations that focused on the newspaper and the newspaper’s competitors. As a result, sales reps gave the same presentations for multiple clients and the connection or relevance to each client was unclear. The new sales technique focuses on customizing presentations to meet client needs. Presentations only include what is relevant for the client, which has resulted in presentations that are applicable to the client’s core issues and goals. In order to create these more customized presentations to meet client needs better, the *St. Petersburg Times* hired a new Project Manager who works with all sales reps to customize their presentations.

Sales Processes:

In light of the need to become more client-centric, the *St. Petersburg Times* reorganized its compensation and rewards systems to encourage sales reps to be more client-focused, rather than revenue-focused. The old “special product” bonus structure allocated bonuses based on revenue, which encouraged sales reps to sell products specific to the newspaper, not the clients. According to Myers, “the new, specific, behavior-based bonus structure encourages sales reps to put the client needs first.” With this new system, Myers meets regularly with all sales reps to create comprehensive, specific sales plans designed for the rep’s client list. Although there is still a revenue component to the new bonus structure, the new structure generally encourages sales reps to be more client-focused.

Challenges:

The *St. Petersburg Times* experienced several key challenges in implementing sales force changes. “Restructuring the bonus system was a complicated process that took a long time to implement,” Myers recounts. In addition, *St. Petersburg Times* found that motivating change among experienced senior team members who did not necessarily keep up with the current trends of their clients was difficult. Finally, balancing the changes (customizing presentations, interviewing clients, training, etc.) with the demands of already heavy work loads proved particularly challenging.

Changes In Other Key Areas

In addition to sales force changes, the *St. Petersburg Times* also implemented changes to product offerings, as well as support and research services.

Products Offered:

The *St. Petersburg Times* created new areas of business and improved existing departments in order to extend its services and reach certain audiences. An in-house, full service Direct Mail department was added to better meet client needs. Additionally, a young reader publication, the Tampa Bay Times (TBT) was introduced to reach young professionals aged 25-39 in both print and online. Online divisions of the company also were strengthened to improve both content and usability. According to Myers, “the online divisions strove to put the *audience* first, and no distinction was made between readers and advertisers.” Finally, the *St. Petersburg Times* added a full-service events division that sponsors and creates proprietary events for clients. A professional event employee was hired and an entire events department was added, which has resulted in the events division at *St. Petersburg Times* now beating its competition.

Support Services:

The *St. Petersburg Times* also restructured its support services such that staff members focus on data entry or support only. Data entry responsibilities were separated from general sales support. As a result, data entry responsibilities are performed more efficiently because employees are not interrupted with sales support calls. On the other hand, the ad support team is client-focused and does not perform data entry, also enabling them to perform their responsibilities more efficiently. Finally, sales reps have become more accessible to personally take phone calls. The *St. Petersburg Times* has found that some questions are handled easier if the client is speaking directly to a professional.

Research Services:

Changes also were implemented to better utilize the existing research services at *St. Petersburg Times*. The research team at *St. Petersburg Times* was already experienced and efficient; however, research services were underutilized. Sales staff received training to use the research team more effectively and more often, and responsibility to fully utilize research services was placed on the sales staff. As a result, Myers asserts that “sales reps began to use research services to gain market-specific information that was relevant for their clients.”

Conclusion

Demonstrated Improvement:

In 2006 the *St. Petersburg Times* again participated in the Newspaper Monitor/Advantage Group study. Compared to an overall performance ranking of 30 out of 33 participating newspapers in 2004, two years later the *St. Petersburg Times* ranked 10 out of the same 33 newspapers. Additionally, the *St. Petersburg Times* scored in the middle third rank for its overall business relationship, sales organization, and service and support functions.

The *St. Petersburg Times* solicited feedback from customers throughout the change process to track its overall improvement in becoming easier to do business with. Ongoing feedback from one-on-one conversations with clients and industry leaders about their experiences working with the *St. Petersburg Times* confirmed the tangible benefits of the changes implemented.

Overall, *St. Petersburg Times* executives feel confident that changes implemented to the sales force, products offered, and support and research services have enhanced the newspaper's ability to "do the right thing" by the client. Although *St. Petersburg Times* executives are pleased with the newspaper's progress demonstrated through the 2006 study, executives involved in the changes are quick to remind other newspapers not to rely on such studies blindly. "Even if the 2006 results did not show such drastic improvement, I still would have affirmed that *St. Petersburg Times* was on the right path to becoming easier to do business with," Reeves asserts. "You have to remember that it may take time to see improvement."

Neville similarly recounts, "You have to be invested in the changes first. I was honest with employees that my expectation was for our scores to improve. I wasn't sure by how much. The 2006 improvement exceeded those expectations."

Key Learnings:

Overall, five key learnings or best practices emerge from the *St. Petersburg Times* profile.

1. Make a strong commitment to become more client-focused. According to the *St. Petersburg Times*, "do the right thing" became the consistent message.
2. Prioritize changes by focusing on what is most actionable. Those interviewed advise other newspapers to identify opportunity areas within the company's control and have confidence in the company's ability to implement changes.
3. Solicit ongoing feedback from customers to measure the success of the changes. Customer feedback enabled the *St. Petersburg Times* to demonstrate its progress toward becoming easier to do business with. However, executives advise other newspapers to remember that it may take time for customers to notice improvement.
4. Ensure that compensation systems recognize and reward change. The *St. Petersburg Times* suggests that newspapers change the behavior first, and then implement compensation systems consistent with the behavioral change.
5. Utilize resources better, such as research services. The *St. Petersburg Times* case study suggests that training or restructuring may be necessary to use resources more effectively.

Summary

Primary Research Metric(s) and Findings		
Metric	Initial Finding (2004)	Improvement Demonstrated (2006)
Newspaper Monitor/ Advantage Group Advertiser Study	<ul style="list-style-type: none"> Overall performance ranked 30 out of 33 participating newspapers Ranked in lower third for business relationship and sales organization and personnel Ranked in middle third for service and support functions 	<ul style="list-style-type: none"> Overall performance ranked 10 out of same 33 newspapers Ranked in middle third for business relationship, sales organization and personnel, and service and support functions

Changes Implemented		
Area	Change	Impact
Sales Training	Implemented monthly coaching/planning sessions with sales reps and the National and Major Retail Advertising Manager	<ul style="list-style-type: none"> Sales reps more confident More "consultative" selling
Sales Technique	Sales presentations now customized to more directly address client needs	<ul style="list-style-type: none"> Presentations only include what is relevant for the client Presentations more applicable to client's core issues and goals
Sales Processes	Implemented new, specific, behavior-based bonus structure	Sales reps are more client-focused, rather than revenue-focused
Products Offered	Added in-house, full service Direct Mail department	Better meet client needs
	Introduced young reader publication	Reach young professionals aged 25-39
	Strengthened online divisions	Improved content and usability
	Added a full-service events division	More competitive
Support Services	Restructured support services so that staff members focus on data entry or support only	<ul style="list-style-type: none"> Data entry performed more efficiently Ad support team is more client-focused
	Sales reps have become more accessible to personally take phone calls	Some questions are handled easier if answered directly by a professional
Research Services	Trained sales staff to use research team more effectively and more often	Sales reps gain market-specific and relevant information for clients
	Responsibility to fully utilize research services placed on sales staff	Research services no longer underutilized

Best Practices	
Key Learnings	Implementation
1. Make a strong commitment to become more client-focused.	"Do the right thing" becomes the consistent message.
2. Prioritize changes by focusing on what is most actionable.	Identify opportunity areas within the company's control and have confidence in the company's ability to implement changes.
3. Solicit ongoing feedback from customers to track improvement and measure the success of the changes.	Use customer feedback to demonstrate progress but remember that it may take time for customers to notice improvement.
4. Ensure that compensation systems recognize and reward change.	Change the behavior first, then implement compensation systems consistent with the behavioral change.
5. Utilize resources better, such as research services.	Training or restructuring may be necessary to use resources more effectively.

The Virginian-Pilot

The Virginian-Pilot is a daily newspaper based in Norfolk, Virginia, serving residents of southeastern Virginia, the Eastern Shore of Virginia and northeastern North Carolina. It has an average daily circulation of 196,259 and an average Sunday circulation of 230,551, making it the largest-circulation newspaper in Virginia. Named the Best Newspaper in Virginia by the Virginia Press Association for 20 of the last 21 years, The Virginian-Pilot is published by Landmark Communications, Inc., a privately held media company.

Background

The Virginian-Pilot has been conducting advertiser satisfaction research for over 20 years to solicit feedback from key advertisers and agencies concerning the newspaper's sales organization, products, pricing, support and customer services. Recent studies have focused on 20 buying criteria that the newspaper identified as being of top importance to its customers. These criteria encompassed questions about product, pricing, service, process, and results.

In 2004, *The Virginian-Pilot* was part of a Landmark Publishing-wide Sales Force Effectiveness Initiative, consisting of a cross-company and cross-disciplinary task force. The overarching objective of the Initiative was to grow profitable revenues to ensure Landmark's long-term success. The Initiative identified the need for newspapers to become more client-centric, and major changes in the way advertising departments work were implemented. Five building blocks for sales force effectiveness were identified: Sales Management, Sales Structure, Recruitment and Selection, Training and Development, and Support Systems.

Since then, *The Virginian-Pilot* has also been modifying its advertiser satisfaction research to become more actionable in identifying and meeting advertisers' needs and increase satisfaction. The newspaper partnered with Kannon Consulting in 2006 on a new advertiser satisfaction study designed to identify opportunities to serve advertisers better and grow the business. In addition to including a Net Promoter® Score (NPS) metric to identify what really drives customer satisfaction and business growth, several broad areas emerged as top priorities for the newspaper, including pricing, reach, production/execution, and invoicing.

A Blueprint for Growth: Sales Force Effectiveness

In light of current market trends, Bruce Bradley, president of Landmark Publishing Group, grew concerned that holding the number one share position in all key news and advertising categories had become an ever-more-challenging goal for Landmark's newspapers. It became imperative, therefore, that each newspaper's advertising department sell more effectively than ever and to find new customers and new revenue streams.

"Are we staffed and structured for maximum effectiveness?" Bradley wondered and asked his publishers for a brief report on each of their ad sales departments. The good news was that each newspaper had taken a number of innovative steps to improve sales – but each also had obvious gaps. In September 2004, Bradley charged the Landmark publishers and advertising directors with undertaking a project on sales force effectiveness. The mission was to agree upon and articulate a vision of a truly effective sales force and a plan for achieving it to ensure growth and capture new opportunities.

While the guiding principles and action steps identified by the task force were a natural evolution for Landmark's newspapers, they also required major changes in the ways each advertising department worked. In implementing them, there was a clear mandate to embrace change, recognize and reward achievements and innovation, and a need to articulate the need for change clearly and consistently. The key message was "listen to the customer; ask the customer what they need done." Training and support were also identified as key building blocks to sales force effectiveness. Metrics to measure success were also needed to be put in place in order to track progress at every step, both short term and long range. Nevertheless, executives were reminded that the time frame for organizational transformation is built on months and years, not days and weeks, and it may take time to see improvements.

Sales Force Changes

Based on findings from the Sales Force Effectiveness Initiative and the Kannon Consulting Advertiser Satisfaction Study, *The Virginian-Pilot* implemented changes to its sales force across four major areas: structure, expectations/accountability, training, and recognition. The goal was to become more client-centric and meet advertisers' needs better.

Structure:

The first step *The Virginian-Pilot* took to make its sales force more effective was to re-evaluate the actual structure of its sales teams and to make certain that the right people were in the right positions. It was imperative that each sales team was the right size, namely, that the sales reps to manager ratio was appropriate. Says Kelly Warren, Advertising Director of *The Virginian-Pilot*: "We had a team that had ten sales reps with one sales manager. Our expectation is that the sales managers are out in the field at least 50% of the week and there was no way that a sales manager could effectively mentor or coach ten reps. So we made it a policy that a sales manager would have no more than seven reps."

The pay structure was also revamped. A task force of sales staff was created and a new pay plan implemented based on their feedback. Commission policies were re-evaluated and overhauled. One benefit of the new pay and commission policies has been the reduction of sales staff turn-over. "It cut turn-over immensely," Warren enthuses. "We've reduced our turn-over by more than 50%."

Expectations/Accountability:

Also in an effort to become more client-centric, *The Virginian-Pilot* created consistent expectations for local as well as major sales reps. As part of this process, all sales territories were mapped and reviewed to determine the businesses and projected ad spending within the area in order to maximize revenue and effort.

Next, consistent accountability metrics were put into operation. As Warren explains, the advertising sales department had a problem in the past with active account growth. To rectify this, the newspaper made it mandatory that all local sales reps had at least 30 active accounts for the month and to grow their accounts at least by two per month, with the ultimate goal of growing active accounts to an average of 40 per rep. "We had taken our eye off the ball with our active accounts. The reps were focusing on their top tier but not growing, not getting new business." Additionally, in an effort to raise accountability, sales reps were expected to be out in the field between 10:00 AM and 4:00 PM, make eight quality calls a day, and fill out call reports daily – "which is something they did not have to do before," Warren notes.

Quarterly “town hall” meetings were also introduced to help facilitate communication within the company. “We implemented these quarterly meetings,” Warren recounts, “because we were going through a lot of change and we needed to have clear, consistent, and on-going communication. The meetings helped foster an open and candid environment.”

Training:

In its commitment to provide instruction and leadership that will carry the sales organization to new levels of success, *The Virginian-Pilot* instituted advanced training and development initiatives. A training manager was hired, and “stand downs” were conducted with managers and reps. These “stand downs” were executed in order to explain what the minimum expectations were and what each person was being held accountable for. “We had role playing throughout the day,” Warren notes, “in different skill sets and training sessions to see where everyone was and what individuals needed. For example, somebody might not do well in their opening statement or overcoming objections, presenting an action plan, showing an ROI, and so forth.” Three weekly clinics were also instituted. The Monday clinic focuses on sales plans and priorities; the Wednesday clinic is devoted to development and training; while the Friday clinic is about accountability and recognition.

In 2007, *The Virginian-Pilot* is committed to take its training and development initiatives to the next level by creating a three-tier sales certification program. “It is a way for us to continue the training process, to reward and recognize, and to hold people accountable,” says Warren. “For example, if an automotive rep is in that position today there are certain skill sets they should have and if they don’t then we need to make sure we are developing that rep properly. After they are coached and trained, if they are still not getting it then they need to go back to the appropriate level and they can’t move up to Level 3 until they’ve met all the criteria of a Level 2.” Tied into this certification program is a performance evaluation program and pay structure.

Recognition:

“Having more accountability meant that we also needed to make sure we were recognizing people on a more consistent basis,” Warren explains. Therefore, the newspaper created a monthly and annual recognition program called PRISM (Pilot Recognition in Sales and Marketing), where top sales reps, along with sales support personnel, are acknowledged and rewarded.

Challenges:

The Virginian-Pilot experienced several key challenges in implementing sales force changes. “Reorganizing the sales force and overhauling the pay structure were probably our biggest challenges,” recounts Warren. “But we involved everyone in the process, and listened to their feedback, and in the end we gave them what they asked for. A lot of the other processes – such as expectations and accountability – were in place and we just had to communicate and execute on them.”

Changes In Other Key Areas

In addition to sales force changes, *The Virginian-Pilot* also implemented changes to product offerings, pricing and billing, and research and support services.

Products Offered:

In October 2006, *The Virginian-Pilot* launched *Link*, a free daily newspaper targeting 18 to 34 year olds. “We’ve had terrific feedback from the market,” Warren notes. “And it has also allowed us to go after some radio advertising dollars.” *The Virginian-Pilot* also created new and unique ad sizes, such as L-shape and U-shape ads, and began offering limited front page strip positions on the Business, Daily Break, and Sports sections. Additionally, the newspaper reduced the number of strategic sections produced. “We were doing over 100 strategic sections a year,” continues Warren, “and it was too much for the market, for our customers, and for our reps. We looked at the list and scaled it down by at least 25%.” The classified sections were also redesigned to make them more user-friendly, and free classifieds were introduced. *The Virginian-Pilot* is currently undertaking a redesign of the entire newspaper to create more premium-rated, fixed positions.

Pricing and Billing:

“We continue to try to simplify our rate cards,” Warren explains. “We’re based on revenue levels, and we’re looking at collapsing some of them. And we’re going to continue to do that. The two elements of a complicated rate card are you not only confuse the advertiser but it also leads to billing errors.” A year-round rate task force was assembled that meets every month to look into ways to simplify the rate card further, as well as to investigate other issues, such as sectional, modular, and day-of-week pricing.

The Virginian-Pilot also created an internal task force to look at the newspaper’s processes for billing. “This is one of the things we heard loud and clear from the Kannon Consulting work. Advertisers want clear invoices,” notes Warren. “Advertisers also asked for more flexibility. So we are testing a few things this year, such as eliminating contracts, and we are investigating ‘pay for performance’ solutions for some of our top customers.”

Additionally, *The Virginian-Pilot* changed the structure of its support staff and created a centralized Advertising Billing Team. “The advantage of a centralized team is that there will now be shared key learnings. Also, when a customer calls they will immediately be able to speak to a sales coordinator instead of their call going into voice mail.”

Research Services:

The Virginian-Pilot has begun a series of Net Promoter® Score (NPS) studies among top advertising customers. For customers that have been defined as Detractors (those with the lowest rates of repurchase and referral), or who do not understand or appreciate the full strength of the medium, *The Virginian-Pilot* created a series of Value Proposition presentations and sales tools designed to overcome objections, such as pricing, reach, and so forth. “We definitely believe in NPS,” Warren says. “It is something that we talk about all the time and that we are starting to execute on. Not only are we conducting NPS studies on advertisers, but we are also conducting them on readers and our own employees as well.”

The newspaper also began conducting value-added marketing and media strategy sessions for target customers in order to learn more about their businesses and advertising needs; customers were, in turn, given economic overviews and other market information. “These meetings were based solely on advertisers’ needs,” Warren recounts. “We did not have a cookie-cutter approach. And there was no selling at these meetings. Reps went back to the customer on a second call with recommendations based on what they heard at the session.”

Additionally, *The Virginian-Pilot* participates in the RAM (Research and Analysis of Media) study process which measures ad recall, message effectiveness, brand strength, and potential results. “The feedback has been tremendous with some of our larger customers because we can finally tell them that the ads they are running are getting the results they want.” The newspaper also created a website that customers and sales reps can access for information on sales tools, rates, and market and competitive media data.

Support Services:

The Virginian-Pilot restructured its sales support services and centralized key functions in an effort to work more efficiently and grow profits structurally. The newspaper is currently in the process of launching a web-based advertiser self-service solution, which will allow customers to design, order, and pay for their ads without having to go through a sales rep.

Conclusion

Demonstrated Improvement:

Overall, *The Virginian-Pilot* executives are confident that changes implemented to the sales force, products offered, pricing and billing, and research and support services have created a more effective, customer-centric company that is easier to do business with. As already noted, sales force turn-over has decreased significantly, and the number of active and target accounts are on an upswing since changes have been implemented.

The Virginian-Pilot used several metrics throughout the change process to track its overall improvement in becoming easier to do business with. In addition to the ongoing NPS and RAM studies, *The Virginian-Pilot* carefully monitors its revenue to ensure that its financials make sense in light of the areas where changes were implemented. Feedback from marketing and media strategy sessions with target customers, as well as focus groups and one-on-one conversations with clients about their experiences working with *The Virginian-Pilot* serve as additional qualitative metrics.

Key Learnings:

Overall, five key learnings or best practices emerge from *The Virginian-Pilot* profile.

1. Embrace change and make a strong commitment to creating a more effective sales force.
2. Prioritize changes by focusing on what is most actionable. Identify opportunity areas within the company’s control and prioritize tasks.
3. Create an environment of open and consistent communication. Solicit, and listen, to feedback from clients and employees. Involve all levels of the company in the process, in terms of generating solutions and helping in the execution of plans.
4. Establish metrics to measure success and track progress at every step, both short term and long range. But keep in mind that the time frame for organizational transformation is built on months and years, and it may take time to see improvements.
5. Ensure that compensation systems recognize and reward change. “With risk you have to have reward,” explains Warren.

Summary

Primary Research Metric(s) and Findings		
Metric	2006 Findings	Implications
Net Promoter® Score (NPS) Study	<ul style="list-style-type: none"> ▪ On an unweighted basis, <i>The Virginian-Pilot</i> NPS was at the lower range of scores across newspapers studied by Kannon Consulting ▪ A higher proportion of Promoters were “high spenders” with the newspaper ▪ While a higher percentage of Detractors were “low spenders” with the newspaper, they had the highest estimated total advertising budget 	<ul style="list-style-type: none"> ▪ Four broad themes emerged as top priorities: <ul style="list-style-type: none"> - Charge competitive pricing - Reach advertiser’s target audiences better - Manage advertising process and production effectively - Provide clear, understandable, and accurate invoices

Changes Implemented		
Area	Change	Impact
Sales Structure	Re-evaluated the structure of sales teams to ensure they were appropriately managed	<ul style="list-style-type: none"> ▪ Sales rep to manager ratio more manageable ▪ Sales reps more effectively mentored
	Revamped pay structure	Staff turn-over reduced by more than 50%
Expectations/ Accountability	Articulated consistent sales expectations; implemented consistent accountability metrics	<ul style="list-style-type: none"> ▪ Clear and consistent communication ▪ Measurable growth in active accounts
Training	Instituted training and development initiatives; started weekly sales clinics	<ul style="list-style-type: none"> ▪ Skill set development needs identified ▪ Achievements recognized and rewarded
	In process of creating three-tier sales certification	Training process continued and advanced
Recognition	Founded weekly and annual recognition program	Achievements recognized and rewarded
Products Offered	Launched free daily newspaper targeting young readers	<ul style="list-style-type: none"> ▪ Young professionals aged 18-34 reached ▪ New ad revenue captured
	Created new ad sizes and positions	New ad revenue captured
	Reduced number of strategic sections	Efficiencies improved
	Redesigned classified sections	More user-friendly and competitive
Pricing and Billing	Simplifying rate card; identified billing efficiencies	More user-friendly and fewer billing errors
	Centralized Advertiser Billing team	More client-focused
Research Services	Created Value Proposition presentations	Objections addressed and overcome
	Conducted value-added marketing and media strategy sessions for target customers	More client-focused
	Created marketing website	More client-focused
Support Services	Restructured and centralized key functions	Efficiencies improved
	In process of creating self-service solutions	More user-friendly and client-focused

Best Practices	
Key Learnings	Implementation
1. Embrace change and make a strong commitment to creating a more effective sales force.	“Listen to the customer; ask the customer what they want” becomes the key message.
2. Prioritize changes by focusing on what is most actionable.	Identify opportunity areas within the company’s control and have confidence in the company’s ability to implement changes.
3. Create an environment of open and consistent communication.	Solicit and listen to feedback from clients and employees; involve all levels of the company in the process.
4. Establish metrics to measure success and track progress at every step, both short term and long range.	Use metrics to demonstrate progress but remember that it may take time to see improvement.
5. Ensure that compensation systems reward change.	With risk you have to have recognition